

KANSAS RACING AND GAMING COMMISSION

MINUTES – OCTOBER 07, 2022

CALL TO ORDER (A.)

Chairman David Moses called the October 07, 2022, meeting to order at 10:00 a.m. The meeting was held at the Topeka and Shawnee County Public Library in Topeka, Kansas. Notice of this meeting was given to the public via the KRGC and Public Square websites. Commissioners Brandon Jones, Kelly Kultala, and Sheryl Spalding were also present. Others present included Executive Director Don Brownlee, General Counsel Judith Taylor, Director of Administration, Audit, and Finance Brandi White, Director of Security Roger Bailey, Director of Sports Wagering Todd Allen, Director of IT&C-s Dennis Bachman, and other staff.

MOTION, APPROVE AGENDA (B.)

Commissioner Jones (Kultala) moved to approve the agenda as amended. Motion carried 4-0.

MOTION, APPROVE September 09, 2022 MEETING MINUTES (C.)

Commissioner Spalding (Kultala) moved to approve the minutes of the September 09, 2022 meeting. Motion carried 4-0.

MOTION, APPROVE CONSENT AGENDA (D.)

Commissioner Spalding (Jones) moved to approve the consent agenda (seven items). Motion carried 4-0.

LOTTERY GAMING FACILITY REPORTS/ITEMS; BOOT HILL CASINO & RESORT (E.1.a.)

Ryan Deutsch, Assistant General Manager, reported:

- September 2022 revenue numbers compared to September 2021:
 - Total gaming revenue increase 2.32%
 - Total slot revenue down 0.23%
 - Table games revenue up 25.6%
 - This was a record September for the casino in table games revenue
- Events and Promotions:
 - Weekly Kiosk Games
 - Weekly Food and Beverage Specials
 - Gift Promotions
 - Rushing for Riches Gameboard
 - Trick or Treat Hot Seats
 - VIP Promotions
- Upcoming Entertainment & Events
 - Los Angeles Azules – October 23
 - Jake Owen – November 5
 - Gloria Trevi – November 6

- Los Chicos de 512 – November 18
- Mannheim Steamroller – December 8
- Jamey Johnson – December 16
- Responsible Gambling Education Month
 - Sent out weekly emails to employees and a quiz
 - Had signage throughout property
 - Made several social media posts
- Sports Wagering
 - Retail sportsbook opened on the 28th of September in a temporary space.
 - The Mayor of Dodge City placed the first bet.
 - Volumes remain strong on the digital sportsbook.
 - Top five bet games: Chargers V. Chiefs, Chiefs vs. Cardinals, Colts vs. Chiefs, Broncos vs. Seahawks, Dolphins vs. Bengals.
- One positive case of COVID-19 in the last 30 days.

LOTTERY GAMING
FACILITY
REPORTS/ITEMS; KANSAS
STAR
(E.2.a.)

Doug Lang, Vice President and General Manager, reported:

- Admissions down 11.8% compared to September 2021
- September 2022 revenue numbers compared to September 2021:
 - Total gross gaming revenue down 5.9%
 - Slot coin-in down 4.7%
 - Slot hold up 1.6 pts
 - Table games drop up 15.2%
 - Table games hold down 8.6 pts
- Past Events and Promotions:
 - Ted Nugent – August 5, 2022
 - Brantley Gilbert – September 2, 2022
 - Oak Ridge Boys – September 23, 2022
- Upcoming Events and Promotions:
 - Third Eye Blind – October 22, 2022
 - National Final Steer Roping – November 4-5, 2022
 - Farm Expo Trade Show – December 1-3, 2022
- Sports Wagering
 - Launched mobile platform, with FanDuel, and opened temporary sports book on September 1, 2022

LOTTERY GAMING
FACILITY
REPORTS/ITEMS;
HOLLYWOOD CASINO AT
KANSAS SPEEDWAY

Lydia Garvey, Vice President & General Manager, reported:

- Admissions were up 15.7% compared to September 2021
- September 2022 revenue numbers compared to September 2021:
 - Total gross gaming revenue increase 21.3%
 - Slot revenue up 10.2%

(E.3.a.)

- Table games revenue up 68.2%
- Sportsbook Revenue: \$762,000
- Recent/Upcoming Events and Promotions:
 - September 11 – Hollywood Casino 400 NASCAR race
 - September 15 – KC Chiefs Home Opener Watch Party
 - September 16 – Sizzlin September Slot Tournament
 - September 30 – Groceries for a Year
 - October 1 - \$30K Slot Tournament
 - October 7 – Money Booth
 - October 8 – Halloween Lucky Ladies
 - October 29 – VIP Trick or Treat for Slotplay
 - World Series of Barbecue
- Sports Wagering
 - Commissioner Jones asked if sports wagering was driving the increase in casino revenue. Vice President Garvey said that it has increased visitation and they have noticed a correlation between sportsbook players and slots players.
 - Commissioner Moses asked about the impact of the NASCAR race this year compared to last. Vice President Garvey noted that last year the race occurred in October and so month to month comparisons may be inflated.
- Since last commission meeting there were 13 positive cases of COVID-19

LOTTERY GAMING
FACILITY
REPORTS/ITEMS; KANSAS
CROSSING CASINO
(E.4.a.)

Jeff McKain, General Manager, reported:

- Admissions down 2.1% compared to September 2021
- September 2022 revenue numbers compared to September 2021:
 - Coin in up 3.8%
 - Table games drop down 1.5%
 - Net slot revenue up 7.5%
 - Net gaming revenue up 5.0%
- Events and Promotions:
 - September
 - Kiosk Multiplier games every Tuesday.
 - Camp 49 Hot promotional specials every Wednesday.
 - Casino Hot Seats every Thursday.
 - Table Games Pick a Chip promotion every Friday.
 - Cash is King promotion Friday the 30th.
 - Casino gift day every Saturday.
 - Outside concert Saturday the 10th and 24th. (Uncle Kracher and Trace Adkins)

- Additional gift day on Sunday the 25th.
- October
 - Kiosk Multiplier games every Tuesday
 - Camp 49 Hot promotional specials every Wednesday
 - Casino Hot Seats every Thursday
 - Table Games Hot Seats every Friday
 - Cash is King promotion Friday the 28th
 - Monster Smash promotion every Saturday
 - Casino gift day every Saturday
 - Outside concert Saturday the 1st (Hairball)
 - Additional gift day on Sunday the 23rd.
- Sports Wagering
 - Points Bet, Bet MGM, and Caesars are the mobile sports gaming platforms partners.
 - Chiefs are dominating single wagers
 - Retail sports wagering has not been launched yet.
- Since the last commission meeting there has been 6 positive cases of COVID-19

COMMISSION ITEMS –
OLD BUSINESS (F.)

There was no old business

COMMISSION ITEMS –
NEW BUSINESS (G.)

There was no new business

PUBLIC COMMENTS (H.)

There were no public comments.

STAFF REPORTS
(I.1. and I.2.)

Garrett Rogers, Paralegal, reported on the Voluntary Exclusion Program statistics for the month of September 2022.

Todd Allen, Director of Sports Wagering, reported:

- The Kansas Lottery will be the agency reporting monthly revenue from sports wagering. The Lottery will share those numbers with the Kansas Racing and Gaming Commission.
- The September and October revenue report is anticipated to appear in the November Agenda.
- Total Revenue for the first 24 days was about \$770,000, with the state receiving 10%, \$77,000.
- Between September 8th, the beginning of the NFL season, and September 15th, the day of the first Kansas City Chiefs game, the

amount of geo-location checks was increased by roughly 20% and new users increased by the same amount.

- Chairman Moses asked about the extent other pro-teams can participate in sports wagering. Director Allen said that he believed that the legislation defined “pro-team” as being in a major sports league (e.g. MLB, MLS, NHL). Chairman Moses asked if the legislator gave a reason why the definition is so narrow. Director Allen said that he could not recall whether the legislature discussed why they defined pro-team as they did. Chairman Moses suggested that having a broader definition may encourage commerce. Chairman Moses asked if this was something that would require legislative action or could be addressed via rules and regulations. Commissioner Kultala suggested asking audience members who were involved with the legislation to provide input. John Federico, a registered lobbyist for Sporting KC, came to the podium and said that the legislature only included the major sports leagues to ensure the security of the system and data accuracy. Chairman Moses thanked Mr. Federico for the information and suggested that he believed there were other sports leagues who have shown the appropriate level of discipline to be included in sports wagering.

Executive Director Brownlee reported:

- Joined commissioners and staff in welcoming Doug Lang.
 - This is Commissioner Kultala’s last commission meeting.
- Director Brownlee thanked Commissioner Kultala for her time working with the commission and wished her well in her future endeavors.
- Last Friday KRGC posted an invitation on its website to any entity interested in a parimutuel organizational license to send the commission their contact information so necessary application documents could be sent. Holding an organizational license is the first step to applying for what might eventually become a historical horse racing manager’s license in Sedgwick County. The deadline for contacting KRGC is October 14th. There is an ongoing lawsuit regarding historical horse racing, but statute requires KRGC to meet specific deadlines. It is anticipated that the first draft of historical horse racing regulations will be presented in the November commission meeting for commissioner review and approval.

- In Missouri on September 19, the House read in a bill to establish sports wagering.
- On September 24, Nebraska opened a casino in Lincoln, it opened temporarily with 433 slot machines. They are currently building a permanent facility. Table games will be added to the permanent facility. Chairman Moses asked if the Nebraska casino will be similar to the Kansas casinos. Director Brownlee clarified that the Nebraska casinos are not state owned and are tied to existing horseracing tracks.
- The next commission meeting is scheduled for November 18, 2022, at 10:00am in the Eisenhower State Office Building.

MOTION, EXECUTIVE
SESSION; CONFIDENTIAL
BACKGROUND REPORTS
(J.1.)

Commissioner Kultala (Spalding) moved that the Commission go into executive session for the purpose of reviewing confidential background reports presented today by the commission's security division. In addition to the commissioners, the confidential background reports portion included the executive director, general counsel, and director of security. The total time for the executive session was anticipated to be five (5) minutes until 10:56 a.m. No action is to be taken in executive session, and the subjects discussed are to be limited as previously described. A full record of this motion is to be maintained as part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the meeting is to be continued in open session. The motion carried 4-0, and the meeting was adjourned to executive session at 10:51 a.m.

RECONVENE
(J.2.)

The commission meeting returned to open session at 10:58 a.m. with Chairman Moses, Commissioner Jones, Commissioner Kultala, and Commissioner Spalding present.

Chairman Moses noted that the executive session did end at 10:56, but logistical hurdles stalled the return.

MOTION, EXECUTIVE
SESSION; ATTORNEY-
CLIENT PRIVILEGE
(J.3.)

Commissioner Spalding (Jones) moved that the Commission go into executive session for the purpose of consulting with the agency's attorney on attorney-client privileged communications. In addition to the commissioners, the attorney-client privileged communications will include the executive director and general counsel. After discussion, the total time for the executive session was anticipated to be twenty (20)

minutes until 11:19 p.m. No action is to be taken in executive session, and the subjects discussed are to be limited as previously described. A full record of this motion is to be maintained as part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the meeting is to be continued in open session. The motion carried 4-0, and the meeting was adjourned to executive session at 10:59 a.m.

RECONVENE
(J.4.)

The commission meeting returned to open session at 11:19 a.m. with Chairman Moses, Commissioner Jones, Commissioner Kultala, and Commissioner Spalding present.

MOTIONS ON LICENSE
APPLICATIONS
(K.1.)

Commissioner Jones (Spalding) moved to *deny one* license application and *approve the remaining 183* license applications from the October 07, 2022, list of background reports referred to the commission for action. The motion carried 4-0.

OTHER BUSINESS


There were no other items for discussion or motion.

ADJOURNMENT
(L.)

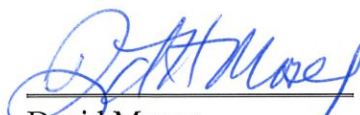
Chairman Moses stated that the November 18, 2022 commission meeting will begin at 10:00 a.m. for an in-person meeting at the Eisenhower State Office Building in Topeka, Kansas.

Commissioner Kultala (Jones) moved to adjourn the meeting. Motion passed 4-0. The meeting was adjourned at 11:25 a.m.

SUBMITTED BY:


Brandon Jones
Commissioner

APPROVED BY:


David Moses
Chairman